

offerors of exempt commercial items to provide information other than cost or pricing data; and

- The role and responsibility of support organizations in determining price reasonableness.

This interim rule also revises FAR 15.403-3(a) to implement Section 808 of the Strom Thurmond National Defense Authorization Act for Fiscal Year 1999 (Pub. L. 105-261). Section 808 requires amending the FAR to-

- * Clarify procedures associated with obtaining information other than cost or pricing data when acquiring commercial items:

- Establish that offerors who fail to comply with requirements to provide the information shall be ineligible for award; and

- Establish exceptions, as appropriate.

Item VII-Conforming Late Offer Treatment (FAR Case 97-030)

This final rule amends FAR 14.201-6, 14.304, and 15.208, the provisions at 52.212-1, 52.214-7, 52.214-23, and 52.215-1, and removes 52.214-32 and 52.214-33 to provide uniform guidance regarding receipt of late offers for commercial, sealed bid, and negotiated acquisitions.

Item VIII-Evaluation of Proposals for Professional Services (FAR Case 97-038)

This final rule amends FAR 15.305(a)(1) and 37.115-2(c) to provide guidance on the evaluation of proposals that include uncompensated overtime hours.

Item IX-Option Clause Consistency (FAR Case 98-606)

This final rule amends FAR 17.208(g) to clarify that the time period for providing a preliminary notice of the Government's intent to exercise a contract option in the clause at FAR 52.217-9 may be tailored and amends the clause at FAR 52.217-8 to make the format of the Option to Extend Services clause consistent with the format of other option clauses in the FAR.

Item X-Compensation for Senior Executives (FAR Case 98-301)

This final rule covers the interim rule published as Item VIII of FAC 97-11 to a final rule without change. The rule amends FAR Part 3.1 to implement Section 804 of the Strom Thurmond National Defense Authorization Act for Fiscal Year 1999 (Pub. L. 105-261). Section 804 revises the definition of "senior executive" at 10 U.S.C. 2324(l)(5) and at 41 U.S.C. 256(m)(2) to be "the five most highly compensated

employees in management positions at each home office and each segment of the contractor" even though the home office or segment might not report directly to the contractor's headquarters.

Item XI-Interest and Other Financial Costs (FAR Case 98-006)

This final rule amends FAR 3.1.205-20 to make minor changes to the cost principle concerning "interest and other financial costs."

Item XII-Cost-Reimbursement Architect-Engineer Contracts (FAR Case 97-043)

This final rule amends the clause prescriptions at FAR 36.609, 44.204, 49.503, and the clause preface at 52.236-25, Requirements for Registration of Designers, to include application of certain clauses to cost-reimbursement architect-engineer contracts.

Item XIII-Conditionally Accepted Items (FAR Case 98-002)

This final rule amends FAR 46.101 to add a definition of conditional acceptance; and FAR 46.407 to require that, when conditionally accepting nonconforming items, amounts withheld from payments should be at least sufficient to cover the cost and related profit to correct deficiencies and complete unfinished work. FAR 46.407 has also been revised to require that the basis for the amounts withheld be documented in the contract file.

Item XIV-Value Engineering Change Proposals/PAT (FAR Case 97-031)

This final rule amends the value engineering change proposal (VECP) guidance in FAR 48.001, 48.102, 48.104, 48.201, and the FAR clause at 52.248-1 to allow the contracting officer to increase the sharing period from 36 to a range of 36 to 60 months; increase the contractor's share of instant, concurrent and future savings under the incentive/voluntary sharing arrangement from 50 to a range of 50 to 75 percent; and increase the contractor's share of collateral savings from 20 to a range of 20 to 100 percent on a case-by-case basis for each VECP.

Item XV-Cost Accounting Standards Post-Award Notification (FAR Case 98-003)

This final rule revises paragraph (e) of the clause at FAR 52.230-6, Administration of Cost Accounting Standards, to reduce the subcontractor information that a contractor is required to provide to its cognizant contract administration office (CAO) when requesting the CAO to perform

administration for Cost Accounting Standards matters.

Item XVI-Technical Amendments

Amendments are being made at 1.106, 15.305, 19.102, 52.211-6, and 52.219-18 in order to update references and make editorial changes.

Dated: September 14, 1999.

Edward C. Loeb,

Director, Federal Acquisition Policy Division.

Federal Acquisition Circular

Federal Acquisition Circular (FAC) 97-14 is issued under the authority of the Secretary of Defense, the Administrator of General Services, and the Administrator for the National Aeronautics and Space Administration.

Unless otherwise specified, all Federal Acquisition Regulation (FAR) and other directive material contained in FAC 97-14 are effective November 23, 1999, except for Items VI and XVI, which are effective September 24, 1999. Sections 19.102 and 52.219-18, which are included in Item XVI, are effective November 23, 1999.

Dated: September 10, 1999.

Eleanor R. Spector,

Director, Defense Procurement.

Dated: September 13, 1999.

J. Les Davison,

Acting Deputy Associate Administrator, Office of Acquisition Policy, General Services Administration.

Dated: September 13, 1999.

Tom Luedtke,

Associate Administrator for Procurement, National Aeronautics and Space Administration.

[FR Doc. 99-24409 Filed 9-23-99; 8:45 am]

BILLING CODE 6820-EP-P

DEPARTMENT OF DEFENSE

GENERAL SERVICES ADMINISTRATION

NATIONAL AERONAUTICS AND SPACE ADMINISTRATION

48 CFR Parts 5, 8, 12, 19, and 52

[FAC 97-14; FAR Case 98-013; Item I]

RIN 9000-A129

Federal Acquisition Regulation; Very Small Business Concerns

AGENCIES: Department of Defense (DoD), General Services Administration (GSA), and National Aeronautics and Space Administration (NASA).

ACTION: Final rule.

Attorney General

the first sentence in paragraph (j). The revised text reads as follows:

52.248-1 Value Engineering.

As prescribed in 48.201, insert the following clause:

Value Engineering (Nov 1999)

* * * * *

(b) Definitions.

Acquisition savings, * * *

(3) Future contract savings, which are the product of the future unit cost reduction multiplied by the number of future contract units in the sharing base. On an instant contract, future contract savings include savings on increases in quantities after VECP acceptance that are due to contract modifications, exercise of options, orders, and funding of subsequent year requirements on a multiyear contract.

* * * * *

Sharing period, as used in this clause, means the period beginning with acceptance of the first unit incorporating the VECP and ending at a calendar date or event determined by the contracting officer for each VECP.

additional * * * * *

(f) * * *

CONTRACTOR'S SHARE OF NET ACQUISITION SAVINGS [Figures in Percent]

Contract type	Sharing arrangement			
	incentive (voluntary)		Program requirement (mandatory)	
	Instant contract rate	Con-current and future contract rate	Instant contract rate	Con-current and future contract rate
Fixed-price (includes fixed-price-award-fee; excludes other fixed-price incentive contracts)	150	150	25	25
incentive (fixed-price or cost) (other than award fee)	(2)	150	(2)	25
Cost-reimbursement (includes cost-plus-award-fee; excludes other cost-type incentive contracts)	325	325	15	15

¹ The Contracting Officer may increase the Contractor's sharing rate to as high as 75 percent for each VECP.

² Same sharing arrangement as the contract's profit or fee adjustment formula.

³ The Contracting Officer may increase the Contractor's sharing rate to as high as 50 percent for each VECP.

* * * * *

(j) **Collateral savings. If a VECP is accepted, the instant contract amount must be increased, as specified in paragraph (h)(5) of this clause, by a rate from 20 to 100 percent, as determined by the Contracting Officer, of any projected collateral savings determined to be realized in a typical year of use after subtracting any Government costs not previously offset.** * * * *

* * * * *

[FR Doc. 99-24423 Filed 9-23-99; 8:45 am]

BILLING CODE 6820-EP-P

DEPARTMENT OF DEFENSE

GENERAL SERVICES ADMINISTRATION

NATIONAL AERONAUTICS AND SPACE ADMINISTRATION

48 CFR Part 52

[FAC 97-14; FAR Case W-003; item XV]

RIN 9000-A123

Federal Acquisition Regulation; Cost Accounting Standards Post-Award Notification

AGENCIES: Department of Defense (DoD), General Services Administration (GSA), and National Aeronautics and Space Administration (NASA).

ACTION: Final rule.

SUMMARY: The Civilian Agency Acquisition Council and the Defense

Acquisition Regulations Council (Councils) have agreed on a final rule amending the Federal Acquisition Regulation (FAR) to reduce the subcontractor information that the FAR requires a contractor to provide to its cognizant contract administration office (CAO) when requesting the CAO to perform administration for Cost Accounting Standards (CAS) matters.

EFFECTIVE DATE: November 23, 1999.

FOR FURTHER INFORMATION CONTACT: The FAR Secretariat, Room 4035, GS Building, Washington, DC, 20405, (202) 501-4755, for information pertaining to status or publication schedules. For clarification of content, contact Ms. Linda Nelson, Procurement Analyst, at (202) 501-1900. Please cite FAC 97-14, FAR case 98-003.

SUPPLEMENTARY INFORMATION:

A. Background

The Councils published a proposed rule in the *Federal Register* on January 25, 1999 (64 FR 3786). The proposed rule revised the clause at FAR 52.230-6(e) (2) to reduce the subcontractor information that a contractor is required to provide to its cognizant contract administration office (CAO) when requesting the CAO to perform administration for CAS matters.

Two respondents submitted public comments to the proposed rule. The Councils considered all comments and

converted the proposed rule to a final rule without change.

This rule was not subject to Office of Management and Budget review under Section 6(b) of Executive Order 12866, Regulatory Planning and Review, dated September 30, 1993. This rule is not a major rule under 5 U.S.C. 804.

B. Regulatory Flexibility Act

The Department of Defense, the General Services Administration, and the National Aeronautics and Space Administration certify that this final rule will not have a significant economic impact on a substantial number of small entities within the meaning of the Regulatory Flexibility Act, 5 U.S.C. 601, et seq., because contracts and subcontracts with small businesses are exempt from all CAS requirements in accordance with 48 CFR 9903.201-1(b)(3).

C. Paperwork Reduction Act

The Paperwork Reduction Act (Pub. L. 104-13) applies because the final rule contains information collection requirements. Accordingly, the FAR Secretariat will forward a request for a revised paperwork burden under OMB Control Number 9000-0129 reflecting a slight decrease to the hours to the Office of Management and Budget under 44

U.S.C. 3501, et seq. The Federal Register notice published on January 25, 1999, invited public comment concerning this decrease. The FAR Secretariat received no comments.

List of Subjects in 48 CFR Part 52

Government procurement.

Dated: September 14, 1999.

Edward C. Loeb,

Director, Federal Acquisition Policy Division.

Therefore, DoD, GSA, and NASA amend 48 CFR Part 52 as set forth below:

PART 52-SOLICITATION PROVISIONS AND CONTRACT CLAUSES

1. The authority citation for 48 CFR Part 52 continues to read as follows:

Authority: 40 U.S.C. 486(c); 10 U.S.C. chapter 137; and 42 U.S.C. 2473(c).

2. Amend section 52.230-6 to revise the date of the clause and paragraph (e) of the clause to read as follows:

52.230-6 Administration of Cost Accounting Standards.

* * * * *

Administration of Cost Accounting Standards (Nov 1999)

* * * * *

(e) For all subcontracts subject to the clauses at FAR 52.230-2, 52.230-3, or 52.230-5—

(1) So state in the body of the subcontract, in the letter of award, or in both (self-deleting clauses shall not be used):

(2) Include the substance of this clause in all negotiated subcontracts; and

(3) Within 30 days after award of the subcontract, submit the following information to the Contractor's cognizant contract administration office for transmittal to the contract administration office cognizant of the subcontractor's facility:

(i) Subcontractor's name and subcontract number.

(ii) Dollar amount and date of award.

(iii) Name of Contractor making the award.

* * * * *

[FR Doc. 99-24424 Filed 9-23-99; 8:45 am]

BILLING CODE 6820-EP-P

DEPARTMENT OF DEFENSE

GENERAL SERVICES ADMINISTRATION

NATIONAL AERONAUTICS AND SPACE ADMINISTRATION

48 CFR Parts 1, 15, 19, and 52

[FAC 97-14; Item XVI]

Federal Acquisition Regulation; Technical Amendments

AGENCIES: Department of Defense (DoD), General Services Administration (GSA), and National Aeronautics and Space Administration (NASA).

ACTION: Technical amendments.

SUMMARY: This document makes amendments to the Federal Acquisition Regulation in order to update references and make editorial changes.

EFFECTIVE DATE: September 24, 1999, except for sections 19.102 and 52.219-18 which are effective November 23, 1999.

FOR FURTHER INFORMATION CONTACT: The FAR Secretariat, Room 4035, GS Building, Washington, DC 20405, (202) 501-4755.

List of Subjects in 48 CFR Parts 1, 15, 19, and 52

Government procurement.

Dated: September 14, 1999

Edward C. Loeb

Director, Federal Acquisition Policy Division.

Therefore, DoD, GSA, and NASA amend 48 CFR Parts 1, 15, 19, and 52 as set forth below:

1. The authority citation for 48 CFR Parts 1, 15, 19, and 52 continues to read as follows:

Authority: 40 U.S.C. 486(c); 10 U.S.C. chapter 137; and 42 U.S.C. 2473(c).

PART I-FEDERAL ACQUISITION REGULATIONS SYSTEM

2. Amend section 1.106 in the table following the introductory paragraph by adding entries to read as follows:

1.106 OMB approval under the Paperwork Reduction Act.

* * * * *

FAR segment	OMB control number
* * * * *	
52.232-1	9000-0070
52.232-2	90004070
52.232-3	90004070
52.2324	90004070

FAR segment	OMB control number
* * * * *	
52.232-6	90004070
* * * * *	
52.232-8	90004070
52.232-9	90004070
* * * * *	
52.232-11	90004070
* * * * *	

PART 15-CONTRACTING BY NEGOTIATION

15.305 [Amended]

3. Amend section 15.305 in paragraph (a)(2)(i) by removing "(41 U.S.C. 401)".

PART 19—SMALL BUSINESS PROGRAMS

4. Amend section 19.102 by revising the first sentence of paragraph (h); and by removing the size standards table that follows, which consists of Division A through Division K, and Footnotes 1 through 13, to read as follows:

19.102 Size standards.

* * * * *

(h) The industry size standards are published by the Small Business Administration on the Internet at <http://www.sba.gov/regulations/siccodes>.

PART 52-SOLICITATION PROVISIONS AND CONTRACT CLAUSES

52.21 I-6 [Amended]

5. Remove from the introductory text "11.107" and insert "11.107(a).

52.219-1 6 [Amended]

6. In section 52.219-18 in paragraph (d) (2) of the clause, remove the last sentence in parentheses.

[FR Doc. 99-24425 Filed 9-23-99; 8:45 am]

BILLING CODE 6820-EP-P

DEPARTMENT OF DEFENSE

GENERAL SERVICES ADMINISTRATION

NATIONAL AERONAUTICS AND SPACE ADMINISTRATION

48 CFR Chapter 1

Federal Acquisition Regulation; Small Entity Compliance Guide

AGENCIES: Department of Defense (DoD), General Services Administration (GSA), and National Aeronautics and Space Administration (NASA).

**Item XI-Interest and Other Financial Costs
(FAR Case 98-006)**

This final rule amends FAR 31.205-20 to make minor changes to the cost principle concerning "interest and other financial costs."

Replacement pages: 31-29 and 31-30.

**Item XII-Cost-Reimbursement Architect-Engineer Contracts
(FAR Case 97-043)**

This final rule amends the clause prescriptions at FAR 36.609, 44.204, 49.503, and the clause preface at 52.236-25, Requirements for Registration of Designers, to include application of certain clauses to cost-reimbursement architect-engineer contracts.

Replacement pages: 36-13 and 36-14; 44-3 and 44-4; 49-21 and 49-22; and 52-245.

Item XIII-Conditionally Accepted Items (FAR Case 98-002)

This final rule amends FAR 46.101 to add a definition of conditional acceptance; and FAR 46.407 to require that, when conditionally accepting nonconforming items, amounts withheld from payments should be at least sufficient to cover the cost and related profit to correct deficiencies and complete unfinished work. FAR 46.407 has also been revised to require that the basis for the amounts withheld be documented in the contract file.

Replacement pages: 46-1 and 46-2; and 46-7 thru 46-8.1.

**Item XIV-Value Engineering Change Proposals/PAT
(FAR Case 97-031)**

This final rule amends the value engineering change proposal (VECP) guidance in FAR 48.001, 48.102, 48.104, 48.201, and the FAR clause at 52.248-1 to allow the contracting officer to increase the sharing period from 36 to a range of 36 to 60 months; increase the contractor's share of instant, concurrent and future savings under the incentive/voluntary sharing arrangement from 50 to a range of 50 to 75 percent; and increase the contractor's share of collateral savings from 20 to a range of 20 to 100 percent on a case-by-case basis for each VECP.

Replacement pages: 48-1 thru 48-7; 52-339 thru 52-342; and 52-342.1 (added).

**Item XV-Cost Accounting Standards Post-Award Notification
(FAR Case 98-003)**

This final rule revises paragraph (e) of the clause at FAR 52.230-6, Administration of Cost Accounting Standards, to reduce the subcontractor information that a contractor is required to

provide to its cognizant contract administration office (CAO) when requesting the CAO to perform administration for Cost Accounting Standards matters.

Replacement pages: 52-191 and 52-192.

Item XVI—Technical Amendments

Amendments are being made at 1.106, 15.305, 19.102, 52.211-6, and 52.219-18 in order to update references and make editorial changes.

Replacement pages: 1-5 thru 1-8; 15-9 and 15-10; 19-5 and 19-6; 52-29 and 52-30; and 52-104.1 and 52.104.2.

Looseleaf Corrections

The following corrections are made to the looseleaf version only of the FAR:

52.212-5 [Corrected]

1. Section 52.212-5 is corrected in paragraph (c) (5) by removing the duplicate line of text.

Replacement pages: 52-43 and 52-44.

52.301 [Corrected]

2. At entry 52.211-6, under the "UCF" column, 'I' is corrected to read "L."

Replacement pages: Matrix 5 and Matrix 6.

(iv) Agree to an equitable adjustment as provided in the Changes clause of this contract, if the contract cost is materially affected by an OMB Circular A-21 accounting principle amendment which, on becoming effective after the date of contract award, requires the Contractor to make a change to the Contractor's established cost accounting practices.

(5) Agree to an adjustment of the contract price or cost allowance, as appropriate, if the Contractor or a subcontractor fails to comply with an applicable Cost Accounting Standard, or to follow any cost accounting practice consistently and such failure results in any increased costs paid by the United States. Such adjustment shall provide for recovery of the increased costs to the United States, together with interest thereon computed at the annual rate established under section 6621 of the Internal Revenue Code of 1986 (26 U.S.C. 6621) for such period, from the time the payment by the United States was made to the time the adjustment is effected. In no case shall the Government recover costs greater than the increased cost to the Government, in the aggregate, on the relevant contracts subject to the price adjustment, unless the Contractor made a change in its cost accounting practices of which it was aware or should have been aware at the time of price negotiations and which it failed to disclose to the Government.

(b) If the parties fail to agree whether the Contractor or a subcontractor has complied with an applicable CAS or a CAS rule or regulation in 48 CFR 9903 and as to any cost adjustment demanded by the United States, such failure to agree will constitute a dispute under the Contract Disputes Act (41 U.S.C. 601).

(c) The Contractor shall permit any authorized representatives of the Government to examine and make copies of any documents, papers, or records relating to compliance with the requirements of this clause.

(d) The Contractor shall include in all negotiated subcontracts which the Contractor enters into, the substance of this clause, except paragraph (b), and shall require such inclusion in all other subcontracts, of any tier, including the obligation to comply with all applicable CAS in effect on the subcontractor's award date or, if the subcontractor has submitted cost or pricing data, on the date of final agreement on price as shown on the subcontractor's signed Certificate of Current Cost or Pricing Data, except that-

(1) If the subcontract is awarded to a business unit which pursuant to 48 CFR 9903.201-2 is subject to other types of CAS coverage, the substance of the applicable clause set forth in 48 CFR 9903.201-4 shall be inserted;

(2) This requirement shall apply only to negotiated subcontracts in excess of \$500,000; and

(3) The requirement shall not apply to negotiated subcontracts otherwise exempt from the requirement to include a CAS clause as specified in 48 CFR 9903.201-1.

(End of clause)

52.230-6 Administration of cost Accounting Standards.

As prescribed in 30.201-4(d)(1), insert the following clause:

ADMINISTRATION OF COST ACCOUNTING STANDARDS

(Nov 1999)

I

For the purpose of administering the Cost Accounting Standards (CAS) requirements under this contract, the Contractor shall take the steps outlined in paragraphs (a) through (g) of this clause:

(a) Submit to the Contracting Officer a description of any cost accounting practice change, the total potential impact of the change on contracts containing a CAS clause, and a general dollar magnitude of the change which identifies the potential shift of costs between CAS-covered contracts by contract type (i.e., firm-fixed-price, incentive, cost-plus-fixed fee, etc.) and other contractor business activity. As related to CAS-covered contracts, the analysis should identify the potential impact on funds of the various Agencies/Departments (i.e., Department of Energy, National Aeronautics and Space Administration, Army, Navy, Air Force, other Department of Defense, other Government) as follows:

(1) For any change in cost accounting practices required in accordance with subparagraph (a)(3) and subdivision (a)(4)(i) of the clause at FAR 52.230-2, Cost Accounting Standards; or subparagraph (a)(3) and subdivisions (a)(4)(i) or (a)(4)(iv) of the clause at FAR 52.230-5, Cost Accounting Standards-Educational Institution; within 60 days (or such other date as may be mutually agreed to) after award of a contract requiring this change.

(2) For any change in cost accounting practices proposed in accordance with subdivision (a)(4)(ii) or (iii) of the clauses at FAR 52.230-2, Cost Accounting Standards, and FAR 52.230-5, Cost Accounting Standards-Educational Institution; or with subparagraph (a)(3) of the clause at FAR 52.230-3, Disclosure and Consistency of Cost Accounting Practices, not less than 60 days (or such other date as may be mutually agreed to) before the effective date of the proposed change.

(3) For any failure to comply with an applicable CAS or to follow a disclosed practice (as contemplated by subparagraph (a)(5) at FAR 52.230-2, Cost Accounting Standards, and FAR 52.230-5, Cost Accounting

FAC 97-14 NOVEMBER 23, 1999

52.230-6

FEDERAL ACQUISITION REGULATION

Standards-Educational Institution; or by subparagraph (a)(4) at FAR 52.230-3, Disclosure and Consistency of Cost Accounting Practices):

(i) Within 60 days (or such other date as may be mutually agreed to) after the date of agreement with the initial finding of noncompliance, or

(ii) In the event of Contractor disagreement with the initial finding of noncompliance, within 60 days of the date the Contractor is notified by the Contracting Officer of the determination of noncompliance.

(b) After an ACO, or cognizant Federal agency official, determination of materiality, submit a cost impact proposal in the form and manner specified by the Contracting Officer within 60 days (or such other date as may be mutually agreed to) after the date of determination of the adequacy and compliance of a change submitted pursuant to paragraph (a) of this clause. The cost impact proposal shall be in sufficient detail to permit evaluation, determination, and negotiation of the cost impact upon each separate CAS-covered contract and subcontract.

(1) Cost impact proposals submitted for changes in cost accounting practices required in accordance with subparagraph (a)(3) and subdivision (a)(4)(i) of the clause at FAR 52.230-2, Cost Accounting Standards; or subparagraph (a)(3) and subdivisions (a)(4)(i) or (a)(4)(iv) of the clause at FAR 52.230-5, Cost Accounting Standards-Educational Institution; shall identify the applicable standard or cost principle and all contracts and subcontracts containing the clauses entitled Cost Accounting Standards or Cost Accounting Standards-Educational Institution, which have an award date before the effective date of that standard or cost principle.

(2) Cost impact proposals submitted for any change in cost accounting practices proposed in accordance with subdivisions (a)(4)(ii) or (iii) of the clauses at FAR 52.230-2, Cost Accounting Standards, and FAR 52.230-5, Cost Accounting Standards-Educational Institution; or with subparagraph (a)(3) of the clause at FAR 52.230-3, Disclosure and Consistency of Cost Accounting Practices; shall identify all contracts and subcontracts containing the clauses at FAR 52.230-2, Cost Accounting Standards, FAR 52.230-5, Cost Accounting Standards-Educational Institution, and FAR 52.230-3, Disclosure and Consistency of Cost Accounting Practices.

(3) Cost impact proposals submitted for failure to comply with an applicable CAS or to follow a disclosed practice as contemplated by subparagraph (a)(5) of the clauses at FAR 52.230-2, Cost Accounting Standards, and FAR 52.230-5, Cost Accounting Standards-Educational Institution; or by subparagraph (a)(4) of the clause at FAR 52.230-3, Disclosure and Consistency of Cost Accounting Practices, shall identify the cost impact on each separate

CAS covered contract from the date of failure to comply until the noncompliance is corrected.

(c) If the submissions required by paragraphs (a) and (b) of this clause are not submitted within the specified time, or any extension granted by the Contracting Officer, an amount not to exceed 10 percent of each subsequent amount determined payable related to the Contractor's CAS-covered prime contracts, up to the estimated general dollar magnitude of the cost impact, may be withheld until such time as the required submission has been provided in the form and manner specified by the Contracting Officer.

(d) Agree to appropriate contract and subcontract amendments to reflect adjustments established in accordance with subparagraphs (a)(4) and (a)(5) of the clauses at FAR 52.230-2 and 52.230-5; or with subparagraphs (a)(3) or (a)(4) of the Disclosure and Consistency of Cost Accounting Practices clause at FAR 52.230-3.

(e) For all subcontracts subject to the clauses at FAR 52.230-2, 52.230-3, or 52.230-5-

(1) So state in the body of the subcontract, in the letter of award, or in both (self-deleting clauses shall not be used);

(2) Include the substance of this clause in all negotiated subcontracts; and

(3) Within 30 days after award of the subcontract, submit the following information to the Contractor's cognizant contract administration office for transmittal to the contract administration office cognizant of the subcontractor's facility:

(i) Subcontractor's name and subcontract number.

(ii) Dollar amount and date of award.

(iii) Name of Contractor making the award.

(f) Notify the Contracting Officer in writing of any adjustments required to subcontracts under this contract and agree to an adjustment, based on them, to this contract price or estimated cost and fee. This notice is due within 30 days after proposed subcontract adjustments are received and shall include a proposal for adjusting the higher tier subcontract or the prime contract appropriately.

(g) For subcontracts containing the clauses at FAR 52.230-2 or 52.230-5, require the subcontractor to comply with all Standards in effect on the date of award or of final agreement on price, as shown on the subcontractor's signed Certificate of Current Cost or Pricing Data, whichever is earlier.

(End of clause)

52.231 [Reserved]